4-6 AID(US) LIBYA

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INCOMING TELEGRAM Department of State

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Control: 5523
Rec'd: March 8, 1964
6:39 a.m.

FROM: Baida

ACTION: Secstate 69 Immediate

INFO: Tripoli 73
London 4
Benghazi Unnumbered

DATE: March 7, 7 p.m.

Gai Razi ... 5/6/82

AID(US)

Re DEPTEL 310 Tripoli

In view specific instructions reference telegram inform GOL soonest re upcoming Presidential message on FY 65 AID program, I did so during call on PM Muntasser in Baida afternoon March 6. I stressed hard as I could no connection between this decision phase out and to Libya and Arab/Libyan demands remove foreign bases. PM professed understand but quite rightly pointed out timing most unfortunate; it will surely be hailed as further indication administration's changed attitude toward Arab world and as further justification scuttling base agreement.

In presenting problem along lines reference telegram I stressed reduced aid did not effect Wheelus payments or any existing agreements. I also recalled I had several times pointed out to Fikini no new aid projects planned because of US domestic pressures on AID program and Libya's improved financial situation; I said other officials GOL Ministries were similarly informed. Therefore reason for official notification now was not to convey new policy but to give advance notice that public announcement re reduced program was to be made in connection presentation AID budget. US had not changed policy active interest Libyan economic development; desired continue current projects furnishing technical advisers and to work out with GOL ways to utilize US technical help over longer period. (I avoided offer US technical services to be financed by GOL funds as I doubt this US objective best /accomplished

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accomplished by proclaiming it.)

PM listened, said he aware no new US projects recently been planned. His whole preoccupation now is on base problem which involves very existence of monarchy and his government and so his only thought was relation to that situation. Hence he preferred defer any discussion with Minister Information on ways to soften blow until foreign base question disposed of in Parliament, i.e. until government statement made and repercussions observed. After that he agreed we should see if any way to guide treatment by public media. PM not sanguine possible do much and neither am I.

In meantime Embassy/USIS will consider what if any material to provide Minister Information and media later as guidance or handouts. Unfortunately media here not likely want facts that will refute or dilute kind of story they prefer (see above). I trust Department/USAID understand this.

Please let us know soonest date Presidential message and identity 11 other "transitional" countries.

GP-3.

LIGHTNER

REE

Note: Advance copy to S/S-O at 7:00 a.m. 3/8/64
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